

California Power Authority

Due Diligence Criteria and Ratings Used for Project Evaluation

	Best	Better	Good	Worse	Worst
Site Control	Site owned, or leased assignable to Authority for 30 year or extendable term	Option to purchase or lease (not subject to prior sale)	Non binding letter of intent with detailed term sheet	Favorable discussions with owner	Site identified
Electric and Gas Interconnection	Interconnection agreements executed, meeting full requirements of generating plant	Studies and cost estimates completed by interconnecting utilities, revealing no significant upgrades or curtailment potential.	Initial studies completed by interconnecting utilities, revealing no significant upgrades or curtailment potential	No initial studies yet requested, but favorable 3 rd party studies completed	No initial studies requested nor third party studies performed.
Fuel Supply	Fuel supply, transportation and management contracts executed, consistent with requirements of CPA	Fuel supply, transportation and management contracts executed	Fuel contracts under negotiation	Potential fuel suppliers identified	No fuel supply identified
Major Equipment Procurement	Major equipment on site or in local storage	Equipment supply contracts executed	Deposit placed to hold firm manufacturing slot	Discussions held with major equipment suppliers	Major equipment not identified
Environmental Permitting and Air Emission Offsets	Air Emission Permit and Application for Certification (AFC) approved, sufficient offsets obtained	Air preliminary determination of compliance (PDOC) and CEC preliminary staff report issued with favorable recommendations, offsets under option agreement	AFC and other CEQA/NEPA applications filed, emission offsets purchase underway	Permitting work underway, offsets not yet identified	No environmental permitting started
Engineering	Detailed engineering underway or completed, consistent with requirements of CPA	Detailed engineering contract executed, consistent with CPA requirements	Preliminary engineering completed	Site specific equipment manufacturer information available	Generic equipment manufacturer information available
Construction, Startup and Acceptance	Construction underway or completed, consistent with requirements of CPA	Construction contract executed, consistent with CPA requirements	Construction contractors pre-qualified	Discussions held with Contractors	Scope not yet identified
Operation	Project in operation, consistent with requirements of CPA	O&M Contract executed, consistent with CPA requirements	O&M Contractors pre-qualified	Discussions held with O&M Contractors	O&M Contractor not yet identified
Legal Disclosure	No incidents reported	Only minor violations in the past	Current minor violations	Past convictions	No information reported
Developer Capability	Extensive California development, construction and O&M experience	Extensive, non-California development, construction and O&M experience	Some successful power development experience	Limited power experience	No power experience